



FRAUD FACTS

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ABOUT FRAUD FACTS

Fraud Facts is published by the Air Force Deputy General Counsel (Contractor Responsibility) to present current information about selected fraud, suspension and debarment actions, and issues of interest. Many different agencies contribute to the investigation, prosecution, and completion of a case, including, but not limited to, the Air Force Office of Special Investigations, the Defense Criminal Investigative Service, and the Air Force JAG Corps. We thank you for your continued support and assistance in protecting the government's contracting interests.

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FRAUD FACTS STAFF

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CUSTER BATTLES QUI TAM DECISION

By John Polk, SAF/GCR

In a case of interest to the Air Force, on July 8th the U.S. District Court for the Eastern District of Virginia denied a motion for summary judgment in a *qui tam* lawsuit against Custer Battles LLC and affiliated persons and companies. *United States ex rel. DRC, Inc. v. Custer Battles, LLC, et al.* E.D. Va. No. 1:04cv199. In September 2004, the Air Force suspended Custer Battles, LLC, its owners, Scott Custer and Michael Battles, and several affiliated persons

and companies from government contracting.

The lawsuit concerns two contracts that Custer Battles performed in Iraq for the Coalition Provisional Authority ("CPA"). The *qui tam* relators sued, alleging a variety of fraudulent acts by the defendants to illegally inflate claims submitted to the United States in violation of the False Claims Act, 31 U.S.C. §3729 *et seq.* The defendants moved to dismiss (which the court converted to motions for summary judgment) the *qui*

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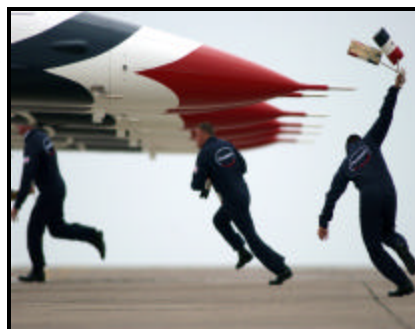
INAUGURAL NATIONAL SUSPENSION & DEBARMENT TRAINING PROGRAM

By Richard A. Pelletier, SAF/GCR

In June of 2005, the inaugural National Suspension and Debarment Training Program (NSDTP) at the Federal Law Enforcement Training Center (FLETC) was held in Glynco, Georgia. Richard Pelletier, the GCR Assistant Deputy General Counsel, was part of a team of instructors that included the Suspending Debarment Officials (SDOs) for the EPA and the OPM, a former SDO for the GSA, and a senior

fraud counsel from DLA, who prepared and presented the material at the NSDTP. The 24-member class consisted of investigators, attorneys, and other acquisition professionals from 19 different Government agencies. NSDTP is an in-depth, 3-day course on the Federal suspension and debarment system for both procurement (grants, etc.) matters. The course will be offered

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LAUGHLIN AIR FORCE BASE, TEXAS. Crew chiefs for the U.S. Air Force Thunderbirds race to secure F-16 Fighting Falcon aircraft with chocks after landing here April 16. (U.S. Air Force photo by Tech. Sgt. Justin D. Pyle)

GCR WELCOMES NEW ASSOCIATE GENERAL COUNSEL

Steven Shaw is pleased to announce that Laura I. Fernandez has joined the Contractor Responsibility Division of the General Counsel's Office as an Associate General Counsel. Laura came to the GCR team from the 89th Airlift Wing at Andrews AFB where she was an environmental lawyer. She had a distinguished career at Andrews having been recognized as the Outstanding Hispanic Executive Employee for 2003, and selected for the Staff Agencies' Outstanding Civilian Employee Award for the 4th quarter 2004.

Laura received her BA from the University of California (Riverside), her Juris Doctor from UCLA, and an LLM (with honors) from the University of Denver School of Law. She was on active duty with the Air Force as an Assistant Chief of Military Justice and then as an Area Defense Counsel at Luke AFB, AZ, Chief of Civil and Labor Law at Vandenberg AFB, CA, and finally as an Assistant Professor of Law at the Air Force Academy. Major Fernandez, USAF Reserves, serves as a Legal Advisor to ACC/JA at Langley AFB, VA. Her military awards include the Meritorious Service Medal and the Air Force Commendation Medal.

Ms. Fernandez was born in Argentina and is a naturalized United States citizen. She enjoys free time with her husband, Robert, and their ten-year-old daughter, Mariana.

CONTRIBUTING WRITERS

Richard A. Pelletier, SAF/GCR
John W. Polk, SAF/GCR

A special thanks to this issue's contributing writers.

FRAUD REMEDIES BULLETINS

Previous Fraud Remedies Bulletins & Updates, insightful tools addressing pertinent contracting issues facing investigators and attorneys today, and Fraud Facts are published by SAF/GCR. Previous Bulletins, Updates, and Fraud Facts are available on SAF/GCR's websites, as listed on page 3 of this issue under Web Sources.

RECENT DEBARMENTS

Abdel Aziz al Sagaby
Adel Mohammad Musa Mustafa
Aljabaz Trading Company
Attoras Trading
Dale C. Henson
Excelcomm of Alabama, Inc.
Julia White a/k/a
Julia Elaine Mathis
Larry S. William
Maged Mustafa
Mazen Mustafa
Razorcom, Inc.
Robin A. Mustafa a/k/a
Anne Lee
Smart Computers
USA International Services, Inc. f/k/a
Smart Traders International, Inc.
Western Coupling Corporation
William Andre Mathis



SAN ANTONIO, TEXAS. All members of the Air Force Total Force join the nation in celebrating a safe and happy Fourth of July. (U.S. Air Force photo by Senior Airman Curtis J. Lenz)

UPCOMING PRESENTATIONS

August 16- 19, 2005: Richard Pelletier will present at the Air Force Systems & Logistics Contracting Course in Ohio; available throughout the Air Force by VTC.

August 22, 2005: Steven Shaw will present at the Boeing Leadership Training Center in St. Louis, Missouri.

October 6, 2005: Steven Shaw will present at the AFMC/JA Conference in Keystone, Colorado.



RAZORCOM, INC. RECEIVES 10- YEAR DEBARMENT – Alabama

Despite being debarred by the Department of Labor (DOL) on August 3, 2001, for violation of the Service Contract Act, 41 U.S.C. § 354, Mr. Larry S. William continued to contract with the government. Razorcom, Inc. was the successor company to Excelcomm of Alabama, Inc. Razorcom, Inc. submitted proposals on six solicitations for performance of operations and maintenance of base telecommunications systems at Tinker Air Force Base, Oklahoma. Mr. William supported Razorcom, Inc.'s proposals by certifying at least six times, pursuant to FAR 52.209-5, that he was not presently debarred. Also, in August 2003, Razorcom, Inc. submitted a proposal to provide cable plant operations and maintenance

at the Air Force Research Laboratory in Rome, New York. Mr. William signed the Standard Form 33, Solicitation Offer, and Award. On April 29, 2005, the Air Force debarred Razorcom, Inc., Excelcomm of Alabama, Inc., and Mr. William pursuant to FAR 9.406-2 (c), which permits the Air Force to debar a contractor for improper conduct of so serious and compelling nature that it affects its present responsibility to be a Government contractor or subcontractor. Due to the egregious nature of Razorcom, Inc., and Mr. William's conduct, and their disregard for the DOL's debarment, an extended period of debarment for 10 years was issued to protect the interests of the Government. Special thanks to Contracting Officer Donald Mobly from Tinker Air Force Base.

SOCIAL SECURITY AND VISA FRAUD UNCOVERS NON- RESPONSIBLE CONTRACTOR–Virginia

USA International Services, Inc., previously known as Smart Traders International, Inc. (STI), was owned and operated by Adel Mohammad Musa Mustafa. Mr. Mustafa's wife, Mrs. Robin A. Mustafa, was not only an officer and registered agent of STI, but also a contracting officer for the United States Air Force at the United States Training Mission in Saudi Arabia.

During her employment with the United States government, Mrs. Mustafa issued approximately 20 contracts to her company, STI. Prior to issuing the aforementioned contracts, she also awarded contracts to Smart Computers and Attoras Trading, two companies owned and operated by her brothers-in-law.

During March 2003, Mr. Mustafa submitted to the government two letters in support of his effort to obtain permanent immigration status in the United States. The first letter stated that Mr. Mustafa was a vice president of STI when in fact he was the president. Mrs. Mustafa signed the letter as the president of Smart Traders. Then, the second letter stated that Mrs. Mustafa was the president of Smart Traders and it was signed by "Anne Lee" who was found to be Mrs. Mustafa. Both individuals knew that the letters submitted to the government were false.

On January 23, 2004, Adel and Robin Mustafa were arrested for visa fraud and Social Security fraud. On April 9, 2004, both pled guilty to making false statements. Mrs. Mustafa was sentenced in the United States District Court of the Eastern District of Virginia on June 10, 2004, to supervised probation for a term of two years and ordered to pay a fine of \$1,000 and a special assessment of \$100. Mr. Mustafa was sentenced on June 14, 2004, to imprisonment for a term of time served, supervised release for a term of two years, and ordered to pay a fine of \$2,000 and a special assessment of \$100.

On May 3, 2005, the Air Force debarred USA International Services, Inc., Smart Traders International, Inc., and the Mustafas pursuant to FAR 9.406-2(a)(5) and (c), which permits the Air Force to debar a contractor for improper conduct of so serious and compelling nature that it affects its present responsibility to be a government contractor or subcontractor. Special thanks to Special Agents Jon Hawe, Carl Heath, Ellis Johnson, and Maj. Camille Chandler.

WEB RESOURCES

SAF/GCR WEBSITES :

SAF/GCR

<http://afnet.safgc.hq.af.mil/safgcr.htm>

HAFDASH GCR

<https://intranet.hq.af.mil/webfiles/safgc/>

FLITE GCR

<https://aflsa.jag.af.mil/>

SPECIAL FEATURES ON SAF/GCR WEBSITES

☞ Debarment Memoranda

☞ Administrative Agreements

☞ Archived *Fraud Facts*

ADDITIONAL WEBSITES :

Central Contractor Registration

<https://www.bpn.gov/CCR/scripts/index.html>

Defense Federal Acquisition Regulations

<http://www.acq.osd.mil/dpap/dars/dfars/index.htm>

Excluded Parties List System

<http://www.epls.gov/>

**Multiple other useful links may be found on the SAF/GCR websites.*



SAIC SETTLES FALSE CLAIMS ALLEGATIONS FOR \$2.5 MILLION

Science Applications International Corporation (SAIC) paid the United States \$2.5 million to resolve allegations that it filed false claims for payment with the United States Air Force and engaged in defective pricing on a contract. The company was awarded a contract to perform environmental clean-up work at Kelly Air Force Base, prior to its closure.

Johnny Sutton, United States Attorney for the Western District of Texas, announced the settlement agreement on April 27, 2005. *United States ex rel. Woodlee v. SAIC*, W.D. Tex. No. SA-02-CA-28-WJ. The settlement resolves a 2002 federal False Claims Act whistleblower lawsuit, where Woodlee alleged that SAIC defrauded the government by padding the cost estimates that SAIC provided to the Air Force on environmental contract work. SAIC denies any wrongdoing.

The lawsuit alleged that SAIC knowingly failed to disclose information about its costs during price negotiations with the Air Force as required by the Truth in Negotiations Act. Allegations also included claims that SAIC internally developed its cost and price proposals and used hidden monetary reserves to inflate its estimates of the amount of labor hours that it would require to complete the contract work, but did not disclose this information to the Air Force. The suit alleged that the company then pocketed the excess profits on this taxpayer-funded contract.

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EDWARDS, EGLIN AIR FORCE BASES. Flying over California, six F-16 Fighting Falcons fly in formation during combined developmental and operational testing of the M4.2-plus core avionics suite upgrade to the aircraft. The formation consists of operational test aircraft from Eglin Air Force Base, Fla., and developmental test aircraft from Edwards AFB, Calif. (U.S. Air Force photo by Tom Reynolds)

CUSTER BATTLES QUI TAM DECISION

(Continued from page 1)

tam lawsuit on the ground that the court lacked jurisdiction. The defendants argued that because Custer Battles' contracts were with the CPA, there was no claim submitted to the United States. The False Claims Act requires a "false or fraudulent claim for payment or approval" submitted to the United States. 31 U.S.C. §3729(a)(1). However, under 31 U.S.C. §3729(c) a claim need not be submitted directly to the United States. If the "United States Government provides any portion of the money or property" used to pay or reimburse the claim, then there is a claim against the United States. Defendants further contended that U.S. money was not used to pay the claims.

Two issues of first impression were before the court: (1) was the CPA an entity of the United States for purposes of False Claims Act liability; and (2) was money of the United States used to pay the claims. The court devoted several pages to discussing the origin and status of the CPA, but concluded that the "essential nature of the CPA is shrouded in ambiguity." However, the court said that it need not decide the issue because even if the CPA was not an entity of the United States, money of the United States was used to pay claims submitted to U.S. Army disbursing officers; and therefore the defendants submitted claims within the definition of 31 U.S.C. §3729(c).

Four categories of funds were used to finance the operations of the CPA: (i) funds appropriated by Congress; (ii) Iraqi funds confiscated by the President and vested in the Department of the Treasury; (iii) Iraqi assets and currency seized by Coalition Forces in Iraq; and (iv) funds from the Development Fund for Iraq, such as deposits from surplus funds in the U.N. "Oil for Food" Program. The CPA did not use the first category, appropriated funds, to pay Custer Battles. The other three categories of funds were used to pay Custer Battles. Thus, the issue was whether any of these three categories of funds is money "provided" by the United States within the meaning of 31 U.S.C. §3729(c).

The court held that a claim under the False Claims Act must be a request for U.S. government funds or property -- that is it must be a "call on the

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SUSPENSION & DEBARMENT IN A NUTSHELL

SCOPE OF DEBARMENT

Contractor Defined

A suspension or debarment action may be taken against any "contractor," which is defined as including any individual or entity that (a) "submits offers for or is awarded" Government contracts or subcontracts, or (b) "reasonably may be expected" to do so, and (c) agents of contractors. FAR 9.403. Debarment actions need not, therefore, be limited to persons having contracts with the Air Force, or even with the government.

The Air Force has often suspended or debarred persons and entities who were likely to seek Air Force contracts, by reason of their past interest in such contracts. The Air Force has also debarred Air Force members and employees who, under the circumstances, likely would seek government contracts in the near future.

Where justified by the evidence, the government can suspend or debar attorneys, accountants and consultants as "agents" of contractors.

Vicarious Liability

The government can suspend or debar not only contractors, but also those affiliated with and employed by contractors.

Affiliates

Following a determination that a contractor has engaged in actionable misconduct, an "affiliate" of that contractor may also be debarred, if the affiliate is given notice and an opportunity to respond. FAR 9.406-1(b).

Power to control

Generally, persons and entities are affiliates of each other if either has the power to control the other, or a third party has the power to control both. FAR 9.403. For example, if the government debars the Widget Division of Superior Aircraft Parts Corporation, then, after giving proper notice, the government could also debar the whole company, Superior Aircraft Parts Corporation, and all of its other divisions. The initial debarment of the Widget Division would automatically include the Widget Division's subdivisions and organizational units. The debarment could be extended further to include officers and any persons or entities holding sufficient ownership interest so as to control Superior Aircraft Parts Corporation.

Imputed misconduct

The government can suspend or debar a person or entity even if the person or entity has not directly committed any misconduct or is not an affiliate of the wrongdoer, based on the imputation to them of the actionable misconduct of others. FAR 9.406-5. Considering again the Widget Division example, if Joe Jones, a Widget Division inspector, was caught signing false test certifications for

widgets to be shipped to the Air Force, then Jones' misconduct may be "imputed" to the Widget Division because he was acting within the scope of his employment. On the other hand, any misconduct by Jones which was designed to personally benefit Jones, and not the Widget Division, could not be imputed to the Widget Division unless it was done with the "knowledge, approval, or acquiescence" of the management of the Widget Division. See FAR 9.406-5 (a).

Reason to know of misconduct

The Widget Division debarment could be extended further to include anyone "associated with" the Widget Division, that "participated in, knew of, or had reason to know of" the Division's misconduct. FAR 9.406-5(b) Thus, John Brown, the Widget Division's Vice President of Operations, could arguably be debarred, for example, upon a finding that Brown was responsible for directing the Widget Division's shipment of 10,000 widgets a day to the Air Force, and that he knew that Jones was the Division's only inspector. Such could support a finding that Brown "had reason to know of" the Division's false testing certifications.

Practical Considerations

Contracts in process

The general rule is that absent a contrary determination by the ordering activity, debarment has no effect on the continued performance of contracts or subcontracts in existence at the time of the debarment. FAR 9.405-1. However, under DFARS 209.405-1, unless an agency head makes a compelling need determination, DoD entities may not place orders exceeding guaranteed minimums under indefinite quantity contracts, nor may they place orders against Federal Supply Schedule contracts.

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EIELSON AIR FORCE BASE, Alaska. The Thunderbirds aerial demonstration team performs a loop while in the famous Delta formation here. (U.S. Air Force photo by Tech. Sgt. Sean M. White)



LEGISLATIVE SUMMARY

Bill Num.	Name/Description	Summary	Status
H.R. 4394	Accountability and Responsibility in Contracting Act	To make ineligible for Federal contract awards any expatriated corporations and any companies that do business with, or own foreign subsidiaries that do business with, state sponsors of terrorism or foreign terrorist organizations.	Referred to the House Committee on Government Reform.
H.R. 4385		A bill to provide for the suspension from Federal procurement and nonprocurement activities of persons that have not paid a fine resulting from a violation of the Occupational Safety and Health Act of 1970 that causes the death of an employee. This bill would amend the FAR to include this provision suspending individuals who failed to pay OSHA fines.	Referred to the subcommittee on Workforce Protection
H.R. 4387	Contractor Accountability Act	To extend military extraterritorial jurisdiction to cover not only personnel and contractor personnel of the Department of Defense, but also personnel and contractor personnel of any Federal agency or provisional authority supporting the mission of the Department of Defense overseas, and for other purposes.	Referred to the subcommittee on Crime, Terrorism, and Homeland Security.
H.R. 4390	MEJA Clarification Act	To extend the Military Extraterritorial Jurisdiction Act (MEJA) to provide for the arrest and commitment of contractor personnel who commit Federal offenses or war crimes while supporting the mission of the Department of Defense overseas.	Referred to the subcommittee on Crime, Terrorism, and Homeland Security.
S. 3286	Amendment to S. 3286	The amendment would prohibit federal government employees at and above the GS-12 level and military officers who served in a procurement capacity from working as an "employee, officer, director, or consultant" of a contract, for a two year period beginning on the date that their federal employment terminates.	The amendment was withdrawn from the Senate on June 23.
S. 2438	A bill to amend title 31, United States Code, to provide Federal Government employees with bid protest rights in actions under Office of Management and Budget Circular A-76, and for other purposes	Same as title	Read twice & referred to Committee on Governmental Affairs.

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LEGISLATIVE SUMMARY

Bill Num.	Name/Description	Summary	Status
H.R. 1218	A bill to require contractors with the Federal Government to possess a satisfactory record of integrity and business ethics	Amends Federal defense contract law and the Federal Property and Administrative Services Act of 1949 to prohibit a contractor from being awarded a defense or Federal contract	Executive comment requested from DoD.
H.R. 2767	Contractors Accountability Act of 2003	Refer to June 2004 Issue.	Same
H.R. 1348	Construction Quality Assurance Act	Refer to June 2004 Issue.	Same
H.R. 746	Responsibility in Federal Contracts Act	Refer to June 2004 Issue.	Same
S. 1072	Amendment to S. 1072	Refer to June 2004 Issue.	Same
S. 2023	A bill to limit Department of Defense (DoD) contracting with firms under investigation by the DoD Inspector General	Refer to June 2004 Issue.	Same

AVIATION HISTORY

GREAT BRITAIN'S SURPRISE ATTACK ON THE ITALIAN NAVY

By John W. Polk, SAF/GCR

Every American knows of Japan's devastating surprise attack on the U.S. fleet at Pearl Harbor in 1941. But how many people know of a similar attack more than a year earlier, on November 11, 1940, by British naval aviation on the Italian Navy at the port of Taranto?

For more than two centuries the British Navy dominated the Mediterranean Sea, which was Britain's lifeline to India and the oil of the Middle East. During June 1940, Italy entered World War II on the side of Nazi Germany, thereby threatening to shift the balance of naval power in the Mediterranean. Italy had a modern navy with several large battleships and numerous heavy and light cruisers, especially renowned for their speed. In addition, when operating in the central Mediterranean, the Italian fleet had the advantage of air cover from land-based aircraft. Consequently, British mer-

chant shipping was threatened, Malta became untenable as a major naval base, and British operations in Greece and Crete were jeopardized.

Even though the Royal Navy was already overstretched, it was time for a dramatic stroke to even the odds and recapture the initiative. The British knew that most of Italy's heavy ships were anchored at the port of



Swordfish airplane.

Taranto located at the inner apex of the heel of the Italian boot. The port was well-defended, but notwithstanding the formidable defenses, the British decided to mount a daring night attack with carrier-based aircraft. It was a move perfectly in sync with Churchill's character, filled with risk and the prospect of reward. The British had only one operational aircraft carrier in the Mediterranean, the *HMS Illustrious*,

a ship that lived up to its name. The attacking aircraft, called Swordfish, were already obsolete when war broke out in 1939. The Swordfish was a fabric-covered biplane with an open cockpit that flew at the relatively slow speed of 138 miles per hour and was an easy target for

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GREAT BRITAIN'S SURPRISE ATTACK ON THE ITALIAN NAVY

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enemy fighters and antiaircraft gunners. It was armed with either torpedoes or bombs.

The British planes attacked in two waves preceded by planes dropping flares to light up the harbor and confuse the Italian gunners. The flare planes approached at a high altitude, while the torpedo planes in their final approach skimmed only 30 feet over the surface of the water. The Italians had no radar, but they had an effective acoustic warning system that detected the attacking aircraft. Unlike the Japanese at Pearl Harbor the British pilots did not have the advantage of surprise. They flew into and through heavy antiaircraft fire dodging the cables of at least 30 barrage balloons. The British sank three Italian battleships and severely damaged a heavy cruiser, at the cost of losing only two attacking Swordfish. But the real impact of the attack was psychological. The attack so unnerved the Italians that the Italian Navy evacuated its main ships from Taranto and moved north to Naples, which greatly reduced the immediate threat to British shipping.

Air power enthusiasts, such as Billy Mitchell, had insisted since the 1920's that capital ships were vulnerable to air attack. The British proved it at Taranto. It was the end of the battleship era in naval warfare. As one historian wrote, unfortunately for the Allies, the nation that took the message to heart was Japan, which applied it with devastating results at Pearl Harbor. See, *The Path to Victory* by Douglas Porch, pp. 93-95. More information on Britain's attack at Taranto can be found on the Internet at www.geocities.com/Broadway/Alley/5443/tar.htm.

FRAUD REMEDIES REFERENCE GUIDE

SAF/GCR published a Fraud Remedies Reference Guide discussing the elements of criminal and civil statutes relevant to prosecuting procurement fraud. The reference guide includes chapters on the role of the Acquisition Fraud Counsel, the preparation of fraud remedies plans, and the procedures for handling *qui tam* cases. It also contains an appendix with the revised and simplified format for fraud remedies plans. The Fraud Remedies Reference Guide can be found in the "Procurement Fraud" section of each web site. For example, the link to the AFNET version is here: <http://afnet.safgc.hq.af.mil/docs/04fraudremrefguide.pdf>.

SUSPENSION & DEBARMENT IN A NUTSHELL

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Compelling reason exception

Further, the Air Force may enter into new contracts with contractors, even after they are debarred or suspended, if a determination is made that there is a "compelling reason" to do so. FAR 9.405(a). If, for example, the property or service is available only from the contractor in question or if the urgency of the requirement dictates use of the contractor in question, then there would be a compelling reason. See THE PRACTITIONER'S GUIDE TO SUSPENSION AND DEBARMENT, P. 56, n.222 (3rd ed. 2002). In the Widget Division hypothetical, the Air Force would be able to obtain widgets from the Widget Division, even after its debarment, if, for example, widgets are important to the Air Force mission, and there are no other sources reasonably available.

Narrowly tailored debarment

The Air Force's business interests may also be protected by fashioning a debarment narrowly, as it generally does, to address only the entities and persons engaged in and/or responsible for the misconduct. Using the widget hypothetical described above, if false widget testing occurred at only one of the Widget Division's production facilities, the debarment could be fashioned so as to name only that facility. The Air Force could continue to enter into new contracts for widgets produced at other Widget Division facilities. Such an approach would protect the Air Force from the dishonesty endemic to one of the contractor's facilities, while at the same time ensuring the Air Force's ability to obtain critical parts from the contractor's other facilities.

Debarment limited to specific products

Finally, a debarment can be fashioned to name the commodity that was the subject of the misconduct, rather than the contractor that committed the misconduct. FAR 9.406-1(b). Thus, in our hypothetical, if the Air Force had a continuing need to purchase gyroscopes manufactured by the Widget Division, but could find alternate sources for widgets, the debarment could be limited to widgets. Again, such an approach--narrowly limiting the debarment to the source of the misconduct--would protect the Air Force from potential future dishonesty, while at the same time insuring the Air Force's ability to obtain needed parts.

This is an excerpt of "Suspension and Debarment in a Nutshell." To view the full article, go to:
http://afnet.safgc.hq.af.mil/sd_shaw_nutshell.htm



U.S. AIR FORCE STATISTICS AND FIGURES

Prepared by SAF/OPA

AF BASICS

Established: September 18, 1947
Active Duty Strength: 360,660
Total Force Strength: 684,087 (active duty, guard, reserve & civilians)
Budget (FY05): \$96.7B
Bases: 84 major, 82 minor
Aircraft in Total AF Inventory: 6,076
Career Specialties: 118 officer, 142 enlisted

AF BUDGET (FY05)

The top line of the budget's \$96.7B consists of

- ✂ \$32.5B for people
- ✂ \$25.7B for readiness
- ✂ \$3.0B for MILCON and family housing
- ✂ \$35.5B for modernization
 - F/A-22 Raptor: \$4.8B
 - F-35 Joint Strike Fighter: \$2.2B
 - C-17 Globemaster III: \$4.1B
 - Global Hawk: \$696M
 - Transformational Communications: \$475M

AF DEMOGRAPHICS

Totals:

Civilian: 141,265
Officers: 73,331
Enlisted: 287,329

ANG: 106,062
AFRC: 76,100

Avg. Total Service:

Officers: 11 yrs
Enlisted: 9 yrs

Active Force (%):

Men: 80.4
Women: 19.6

Average Age:

Officers: 35
Enlisted: 29

Below Age 26: 40.1%

AF Civilian Workforce

% White Collar:	75.7
% Blue Collar:	24.2
% Male:	65.3
% Female:	34.6
Avg. Age:	46.4
Avg. Service (yrs):	15.9
% Serving Overseas	11.2
% w/ BA/BS Degrees	46.2
% w/ Masters Degrees	15.5
% PhD	1.5

Please contact SAF/PAX for further information

KEY AF LEADERS

Acting AF Secretary: Preston M. "Pete" Geren
AF Chief of Staff: Gen. John P. Jumper
AF Undersecretary: Vacant
AF Vice Chief of Staff: Gen. T. Michael Moseley
AF Chief Master Sergeant: CMSAF Gerald R. Murray



OVER FORT BRAGG, N.C. U.S. Army Soldiers with the 82nd Airborne Division jump from C-17 Globemaster IIIs to Landing Zone Sicily during Joint Forcible Entry Exercise here April 5. (U.S. Air Force photo by Tech. Sgt. Scott F. Reed)

AF EDUCATION LEVELS

Enlisted*—Highest Attained

AA or Equivalent Hours	14.8%
B.A., B.S., or higher	4.3%

Officer**—Highest Attained

Advanced/Professional Degrees	48.5%
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*All have a minimum of a HS/GED education/ **All have a BS/BA degree

WHERE THE AF IS BASED

Stateside: 78.6% at 72 major installations & 80 minor installations
Overseas: 21.4% at 12 major installations & 2 minor installations



CUSTER BATTLES QUI TAM DECISION

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government fisc.” The money claimed must be money that belongs to the United States, not simply money that is in the custody of the United States. After a lengthy factual and legal analysis, the court concluded that vested funds and seized funds belong to the United States, but funds from the Development Fund for Iraq do not belong to the United States. The United States simply has custody of these latter funds. Thus, the court denied defendants’ motions for summary judgment and held that the lawsuit can proceed as to claims made for vested or seized funds.

In addition to denying the Defendants’ motion to dismiss, the court dismissed the Relator’s conspiracy count pled under 31 U.S.C. §3729(a)(3) based upon the “intra-corporate immunity doctrine.” Under that doctrine, a corporation cannot conspire with its own officers while they are acting in their official capacity. *See, e.g., Marmott v. Maryland Lumber Co.*, 807 F.2d 1180, 1184 (4th Cir. 1986). According to the court, every defendant named in the complaint was either an employee or related entity of Custer Battles. Thus, a conspiracy among the defendants is a legal impossibility.

The views and opinions of the authors expressed herein do not necessarily state or reflect the official policy or position of the Department of the Air Force, Department of Defense, or United States Government. Distribution is limited to agencies of the United States Department of Defense unless otherwise authorized by SAF/GCR. Please refer all requests to receive Fraud Facts to Lauren Baker at Lauren.Baker@pentagon.af.mil or to Sarah Moffett at Sarah.Moffett@pentagon.af.mil.

SUSPENSION AND DEBARMENT TRAINING

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again during October in Arlington, Virginia. Future presentations will be available at yet to be determined sites nationwide. Richard Pelletier will present the Suspension, Debarment, and Fraud Remedies portion of the Air Force Systems and Logistics Contracting Course scheduled for August 16-19, 2005. This course originates from studios at Wright Patterson Air Force Base and is available nationwide by VTC for Air Force acquisition personnel.

SAIC SETTLES FALSE CLAIMS ALLEGATIONS

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The government intervened in 2004 and filed an amended complaint. The claims were investigated by Air Force Office of Special Investigations, Defense Contract Audit Agency, and the U.S. Attorney’s Office for the Western District of Texas. A Special Thanks to Special Agent Scott Jackson, AUSA Glenn A. MacTaggart, John Kolar of Main Justice, and to Mr. Walter Pupko of AFMC LO/JAF. Mr. Pupko actively assisted DOJ in the litigation as a Special Assistant U.S. Attorney.

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